Fiscal Year 2025-26	Business Unit Number 7100	Department Employment Development Department
Hyperion Budget Request Name 7100-007-BCP-2025-GB		**Relevant Program or Subprogram** 5920, 5925

Budget Request Title
EDDNext Modernization

Budget Request Summary
The Employment Development Department (EDD) requests $124,238,000 in 2025-26, funded equally by the General Fund and the Unemployment Compensation Disability Fund, to continue the EDDNext customer service improvement effort. These resources are critical to funding the fourth year of the modernization of EDD's benefits systems and services. This project is not only replacing aging benefit systems with flexible, user-friendly services, but is also aiming to change the process and culture across the Unemployment Insurance (UI), State Disability Insurance (SDI), and Paid Family Leave (PFL) benefit programs.

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed	
☐ Trailer Bill Language ☒ Budget Bill Language ☐ N/A		

Does this BCP contain information technology (IT) components? ☒ Yes ☐ No	Department CIO Ajit Girn	Date 7/3/2024
If yes, departmental Chief Information Officer must sign.		

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No.7100-222; 7100-236; 7100-237 **Project Approval Document:** S3SA Integrated Claim Management Systems/Integrated Data Management (ICMS/IDM); SPR Shared Customer Portal; S4SA Document Management System

Approval Date: 08/02/2024; 1/10/2024; 6/14/2024

Total Project Cost: $834,615,032; $222,453,219; $106,171,268

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Soma Widjaja	Date 7/1/2024	Reviewed By Jeff Loverde	Date 7/2/2024
Department Director Nancy Farias	**Date** 8/19/2024	**Agency Secretary** Stewart Knox	**Date** 9/3/2024

Department of Finance Use Only

Additional Review: ☐ **Capital Outlay** ☐ **ITCU** ☐ **FSCU** ☐ **OSAE** ☐ **Dept. of Technology**

Assistant Program Budget Manager Andrew March	Date submitted to the Legislature 1/10/2025

A. Problem Statement

EDD administers multibillion-dollar benefit programs, including UI, SDI, and PFL, that provide financial stability to workers and communities. From March 2020 through May 2024, 31.7 million UI claims have been filed and EDD has paid over $195 billion in UI benefits.

EDD also manages the administrative, accounting, auditing, collection, and enforcement functions for the UI tax, Employment Training Tax, SDI withholding, and California Personal Income Tax withholding. For FY 2023-24, EDD collected $110 billion in payroll taxes. Working with approximately 1.7 million employers, EDD collects and maintains the employment tax and benefit records for 18.3 million workers.

EDD maintains multiple benefit management systems that support the UI, SDI, and PFL programs, including UI Online, SDI Online, the PFL application, and the Base Wage database. In 2012, EDD delivered a partial modernization that enabled users to apply for and manage SDI claims online. UI Online was launched in 2015 to allow claimants to apply for UI benefits, certify for benefits, and manage UI claims online.

The PFL application has not been modernized since being implemented in 2004. In 2016-2017, EDD began an approval process for system modernization to replace the legacy UI Online, SDI Online, and PFL application systems. The California Department of Technology (CDT) Project Approval Lifecycle (PAL) Stage 1 Business Analysis (S1BA) approval and funding were received during the fiscal year. In 2018-19, EDD completed the Stage 2 planning phase and Stage 3 activities. The pandemic pushed EDD's systems beyond their limits and exposed the need to further enhance the modernization work.

On July 29, 2020, Governor Newsom directed a Strike Team from the Government Operations Agency to set a path for needed reforms. At the recommendation of the EDD Strike Team, the project paused in September 2020. This decision was consistent with Vision 2023, California's statewide technology strategic plan.

In the 2021 Budget Act, the Legislature invested $11.8 million General Fund to strengthen the modernization effort and incorporate the lessons learned from the pandemic and the unprecedented demand for benefits. In September 2021, EDD began to analyze all business processes, including recently implemented pandemic processes, services, and tools. EDD identified opportunities to leverage these existing investments. EDD performed a gap analysis and defined the high-level requirements for future procurement solicitations. The assessment also identified the necessary additional customer service improvements. During 2021-22, EDDNext procured the Business Process Re-engineering, Project Management, and Vendor Procurement Support Services and completed the initial Business Process Re-engineering effort which included a high-level project roadmap/costing across the estimated length of the EDDNext project.

The 2022 Budget Act included $136 million for work related to the first year of the EDDNext modernization effort, which included going live with a simplified and more secure way for logging in to access benefits. The 2023 Budget Act then invested $198 million to continue work related to the second year of the EDDNext modernization. Most recently, the 2024 Budget Act included $327 million to continue the third year of the project. Additional detail related to the EDDNext initiatives including the reportable IT and non-IT projects per SIMM-19 are described below.

EDDNEXT REPORTABLE IT PROJECTS:

Integrated Claims Management System/Integrated Data Management (ICMS/IDM)

Objective: To replace the core claims system and modernize claims processing. The modern claims processing system includes a data management platform to integrate internal and external data sources to improve program integrity, timely payments, and the quality of information available to claimants and claim processors.

> 2022-23 accomplishments: Completed PAL Stage 1 Business Analysis and started Stage 2 Alternative Analysis (S2AA). Started the consolidation and gap analysis of requirements and procurement documentation.

> 2023-24 accomplishments: Completed the request for information for consolidation and reconciliation to pursue both ICMS and IDM solutions together under one system integrator. Continued S2AA and started Stage 3 Solution Analysis (S3SA) stage gate.

> 2024-25 plan: Complete S2AA, S3SA, Stage 4 Project Readiness and Approval (S4PRA), and procure services of a System Integrator for both ICMS and IDM solutions.

> 2025-26 plan: Onboard the ICMS/IDM System Integrator and begin the multi-year replacement of the legacy claims systems and implementation of the modernized claims processing capabilities.

Shared Customer Portal (SCP)

Objective: To create a more simplified and secure way for customers to log in and access their benefits; improve equitable access through the implementation of six languages in addition to English and Spanish.

> 2022-23 accomplishments: Phase one went live in June 2023 with a simplified and more secure way for EDD customers to log in, access their benefits, and reset their passwords online.

> 2023-24 accomplishments: Implemented six additional languages, in addition to English and Spanish, including: Traditional Chinese, Simplified Chinese, Vietnamese, Korean, Armenian, and Tagalog.

> 2024-25 plan: Close project and continue to conduct Maintenance and Operations and licenses for Phase one.

> 2025-26 plan: Conduct Maintenance and Operations and continue providing licenses for previously delivered enhancements.

Document Management System (DMS)

Objective: To modernize business processes, tools, and technology to meet customer needs for secure, flexible, and reliable document processing. This project will enable EDD to process large volumes of documents more efficiently for Imaging/Data Capture and Document Content Management, remittance processing, and legacy content and data migration.

> 2022-23 accomplishments: S1BA and S2AA were submitted and approved.

> 2023-24 accomplishments: Completed S3SA, S4PRA, and selected vendor.

> 2024-25 plan: Complete project discovery. Start the development and configuration of Scanning, Data Capture and Document Content Management.

> 2025-26 plan: Complete Scanning, Data Capture, and Document Content Management. Start Remittance System Replacement.

NON-IT PROJECTS PER STATE IMPLEMENTATION MANUAL (SIMM 19):

Projects that do not have a state-assigned project number and are not IT projects under CDT requirements.

Integrated Contact Center (ICC)

Objective: To increase the number of customer self-service options, strengthen the call center, and vastly improve the customer experience when trying to contact EDD. It will enable EDD to reconfigure call processes, enhance voice recognition, optimize chat bot, reduce wait times, and incorporate multi-language functionality.

2022-23 accomplishments: Delivered enhancements to the existing contact center, including additional supported languages in UI, categorization features for Disability Insurance (DI) phone calls, and PFL text messaging. Started implementing text messaging for DI and Robocall/Spam filters. Conducted market research and selected a vendor for the modernized platform.

2023-24 accomplishments: Completed procurement and began implementing the modernized platform, starting with the DI and PFL programs. DI pilot release implemented in May 2024.

2024-25 plan: Continue the modernization of the integrated contact center. Complete implementation of the DI/PFL platform modernization and start implementation of the modernized platform for UI and Tax. Conduct Maintenance and Operations for delivered features. Implement modernized ChatBot on EDD Website and Agent Live Chat for UI, DI, and PFL programs.

2025-26 plan: Complete the modernization of the integrated contact center. Complete implementation of the UI and Tax platform modernization efforts. Conduct Maintenance and Operations for delivered features as deployment efforts progress.

Fraud Prevention and Data Analytics

Objective: To strengthen EDD's fraud prevention and security by delivering integrated real-time identity-proofing, tools, and techniques to support new systems and solutions being delivered under EDDNext and identified through ongoing fraud detection and expanded data analytics.

2022-23 accomplishments: Started market research for Identity Proofing solution and conducted a vendor day, soliciting input on solutions from the vendor community.

2023-24 accomplishments: Procured Identity Proofing solution and began implementation of the solution.

2024-25 plan: Pilot the Identity Proofing solution for UI. Start analysis and procurement of additional fraud detection/analytics tools to increase the ability to detect and mitigate cyberattacks.

2025-26 plan: Complete the implementation of the Identity Proofing solution. Continue market research and procurement for additional fraud detection and prevention tools.

Forms Redesign and Research/Analysis

Objective: To analyze, categorize, and prioritize forms that must be modernized to improve customer experience. This workstream provides design documentation for the ICMS/IDM effort. Additionally, this workstream uses customer analytics to inform the implementation of simplified language and customer experience improvements to the UIO and SDIO systems.

In the 2024-25 BCP, this workstream was planned to be consolidated under ICMS/IDM. Due to the high priority and need for timeliness in delivery of customer experience enhancements ahead of ICMS/IDM, this workstream will continue to be tracked separately.

2022-23 accomplishments: Completed Application Intake design deliverables, which will be input to design for the future ICMS/IDM effort.

2023-24 accomplishments: Consolidated and prioritized an inventory of forms that will be an input to the ICMS/IDM procurement and effort. Implemented reduction of questions on the UIO application user interfaces.

2024-25 plan: Complete the implementation of simplification of language on UIO Application user interfaces. Start DI/PFL form changes related to SB 1058, SDIO usability enhancements, and business process improvements.

2025-26 plan: Complete DI/PFL form changes related to SB 1058.

TRANSFORMATION OFFICE

All EDDNext projects are supported by the EDDNext Transformation Office, which includes the following services:

- **Project Management Services** - Provides Project Management Office (PMO) to plan and deliver EDDNext projects, manage dedicated resources, track and report on progress, decisions, risks, and issues.

- **Quality Assurance and Quality Control Services** - Provides review and validation of technical designs and deliverables to confirm that they meet the standards established by the architecture review board.

- **Transformation Office Services** - Supports EDDNext projects in the area of Enterprise Architecture (EA), Organization Change Management (OCM), and Governance Services.

- **Vendor Procurement Services** - Develops, conducts, and coordinates procurement activities.

- **Project Executive and Project Advisor Services** - The Project Executive provides strategic direction, guidance, and recommendations based on industry best practices. The Project Advisor provides consultation to project leadership on the project's goals and objectives.

- **Independent Verification & Validation (IV&V) Services** - Provides independent project reviews and oversees State/Federal compliance.

- **Customer Experience Program Services** - Assists EDD in developing and operationalizing a program to connect with customers to better understand their issues and priorities, and to use that information to drive requirements for short term opportunities and solutions.

2022-23 accomplishments: The Project Executive and Project Advisor were procured and on-boarded. Established Customer Experience (CX) governance committee and created a CX unit. Completed market research for the social media tool and selected a solution and started market research for the Voice of the Customer Tool.

2023-24 accomplishments: Completed procurement for IV&V services and vendor services that support the EDDNext transition, e.g., project management, quality assurance and control services, EA, governance, and OCM services. Implemented the new Social Media tool. Procured and started implementation of Voice of the Customer Tool and delivered minimum viable product release by end of 2023-24.

2024-25 plan: Continue to provide expertise, support services, and tools across all EDDNext projects, which include:

- **Services** - Project Management, Quality Assurance/Quality Control, Transformation Office, Vendor Procurement, Project Executive/Advisor, IV&V, and Customer Experience Program.

- **Tools** - Portfolio Management Tool, DevOps/Project Lifecycle Tool, Procurement Tool, EDDNext Architecture Tool, Voice of the Customer Tool, and social media tool.

2025-26 plan: Continue to provide expertise, support services, and tools across all EDDNext projects, which include:

- **Services** - Project Management, Quality Assurance/Quality Control, Transformation Office, Vendor Procurement, Project Executive/Advisor, IV&V, and Customer Experience Program.

- **Tools** - Portfolio Management Tool, DevOps/Project Lifecycle Tool, Procurement Tool, EDDNext Architecture Tool, Voice of the Customer Tool, and social media tool.

CDT OVERSIGHT, APPROVAL, AND PROCUREMENT SERVICES

All EDDNext reportable projects are subject to costs related to CDT Oversight, CDT Statewide Technology Procurement, and CDT administrative costs.

VENDOR SERVICES

During the pandemic, EDD implemented many technological solutions that were recommended by the Strike Team, the California State Auditor, and the Legislature. EDD contracted with vendors to implement solutions designed to reduce fraud, manage workload, and improve the customer experience for Californians filing for benefit payments. Many of the solutions in place assist with combating fraud so that only eligible Californians receive the benefits that they are entitled to. Funding for the vendor services contracts is necessary to support EDD's IT systems that process UI and DI benefit claims until the ICMS solution is fully implemented.

Resource History
(Dollars in thousands)

Program Budget	PY - 4	PY - 3	PY - 2	PY-1	PY	CY
Authorized Expenditures	$12,111	$46,000	$11,800	$136,030	$197,983	$326,829
Actual Expenditures ^{a/}	$9,693	$3,352	$7,124	$114,749	$47,820	TBD

^{a/} Amounts for 2022-23 (PY-1) funds have been reappropriated to allow expenditure and encumbrance through June 30, 2024. Expenditures for 2022-23 (PY-1) and 2023-24 (PY) reflect actual expenditures and encumbrances from FI$Cal as of 6/30//2024. Note: The actual expenditures are TBD, until financial statements for the year are completed.

B. Justification

California has the nation's largest public benefit system with approximately 21 million benefit customers and 62 million claims being filed for unemployment, disability, and Paid Family Leave benefit programs over the past decade. EDD delivered unprecedented levels of benefits to Californians during the pandemic, paying over $195 billion in UI benefits. The pandemic tested every benefit system in the country and pushed capabilities to their limits, exposing the need to engage customers directly to design better systems and modernize operations.

In 2025-26, EDDNext will include continued modernization of UI, DI, PFL and Tax program operations, business processes, and technology. This approach is consistent with recommendations from the Strike Team, California State Auditor (CSA) and U.S. Department of Labor (DOL). EDDNext's objectives include:

- **Enhance Customer-Centered Service Design.** Boosting multilingual service, better accessibility, and providing support across channels such as mobile, social media, self-service website, live chat, and others.

- **Increase Self-Service Opportunities.** Simplifying the claims intake process by expanding self-service functionality across all programs.

- **Mitigate Fraud.** Protecting claimant identity and reducing risk with new claims processing and technology-driven solutions.

- **Improve Consistency in Integrated Program Delivery.** Extending data analytics to deliver more useful claims processing information and enhanced employee training.

- **Greater Adaptability for Faster Program Changes.** Delivering an integrated benefit system that can be upgraded and modified more quickly to meet system demands and implement entirely new benefit programs such as the emergency federal Pandemic Unemployment Assistance program passed during the pandemic.

Building on accomplishments from previous years and utilizing savings from prior year EDDNext funds, in 2025-26 EDD seeks an additional $124,238,000 General Fund and Unemployment Compensation Disability fund dollars to further improve customer services, program integrity, timely payment, and quality of information available to claimants and claim processors. In 2025-26, the focus is on the continuation or initiation of the following workstreams:

- **ICMS/IDM (Project #7100-222).** Onboard the ICMS/IDM vendor and begin the multi-year replacement of the core claims system and implementation of the modernized claims processing capabilities.

- **SCP (Project #7100-236).** Conduct Maintenance and Operations and continue providing licenses for previously delivered enhancements.

- **DMS (Project #7100-237).** Complete Scanning, Data Capture, and Content Management. Start Remittance System Replacement.

- **Integrated Contact Center.** Complete the modernization of the integrated contact center. Complete implementation of the UI and Tax contact center platform modernization efforts. Conduct Maintenance and Operations for delivered features as deployment efforts progress.

- **Fraud Prevention and Data Analytics:** Complete the implementation of the Identity Proofing solution. Continue market research and procurement for additional fraud detection and prevention tools.

- **Forms Redesign and Research/Analysis.** Complete DI/PFL form changes related to SB 1058.

- **Transformation Office.** Continue to provide expertise, support services, and tools across all EDDNext projects in 2025-26 which include:

  - Services - Project Management, Quality Assurance/Quality Control, EA, OCM, Governance, Vendor Procurement, Project Executive/Advisor, IV&V, and Customer Experience Program.

  - Tools - Portfolio Management Tool, DevOps/Project Lifecycle Tool, Procurement Tool, EDDNext Architecture Tool, Voice of the Customer Tool, and social media tool.

- **CDT Services.** Continue to provide CDT Oversight, CDT Statewide Technology Procurement services.

- **Continuation of Vendor Services in Support of UI and DI Benefit Payments.**

  In 2022-23, EDD received limited-term funding for IT vendor services contracts that supported improving the claimant experience for Californians filing for benefit payments, fraud mitigation, and managing the workload backlog from the complex pre-pandemic identify verification process. These support contracts are funded through June 30, 2025.

  Additional funding is required to continue supporting important system improvements implemented during the pandemic, while also continuing to modernize imperative aspects of EDD's underlying IT systems to better position the Department to effectively serve the public. This funding will be needed until the ICMS solution is fully implemented.

  The contracts that are requested to continue to support the system improvements in FY 2025-26:

  - Automated Batch Review – Vendor provides automated batch review of UI and DI benefit claim information to determine the fraud risk level of each claim. The cost for the vendor to provide automated batch reviews is approximately $2.0 million annually for the UI program and $1.6 million annually for the DI program.

  - Identity Risk Analytics – Vendor provides identity risk analytics software to enhance the current UI claimant fraud detection and prevention process. The cost for the vendor to provide this software is approximately $1.6 million annually for UI program and $575,000 annually for DI program.

  - Website Managed Security Services – Vendor is providing managed security services for EDD's website and protects EDD's public facing services including Benefit Programs Online. This service includes Site Defender and BotManager to detect and prevent unauthorized access to EDD's website. The cost for the vendor to provide these services is $700,000 annually.

  - Application Programming Interface – Vendor is providing software as a service subscription for an Application Programming Interface (API) that allows EDD to

respond more rapidly to evolving trends with lower risk and with higher performance solution options for a complex and demanding workload. The cost for the vendor to provide this software subscription is $6.0 million annually.

- o Business Solutions – Vendor provides licenses and implementation services including enterprise architect services in support of UI and DI benefits eligibility and payment. The cost for the vendor to provide this software and implementation services is approximately $12.3 million annually for UI. The cost for the DI program software and implementation services is approximately $1.7 million annually.

- o Document Upload – Vendor provides document upload functionality that allows UI claimants to upload requested identity or wage verification documents using the existing UI Online and UI Mobile website. The cost for the vendor to provide these services is $600,000 annually.

- o Business Intelligence Competency Center (BICC) Consulting – Vendor is assisting EDD in providing IT consulting for reporting and analysis needs as it applies to Business Intelligence Data Warehousing Group and Data Reporting Analytics Group. The cost for the vendor to provide these services is $2.0 million annually.

- o ServiceNow Implementation - EDD faces critical risks with its current on-premise tool (Service Manager), which lacks disaster recovery capabilities and operates on an outdated platform. ServiceNow offers a cloud-based platform with robust infrastructure and built-in disaster recovery, guaranteeing high reliability and availability. By consolidating IT service management processes within ServiceNow, EDD can streamline operations, enhance efficiency, and improve service delivery. This migration is essential to safeguard EDD's operations, optimize resource utilization, and deliver superior service to stakeholders. The cost for the vendor to provide these services is $3.0 million annually.

Without the continuation of the funding, EDD cannot continue to secure the software and service improvements that have been implemented to improve the benefit payment process and customer experience.

Summary of Funding Request

The high-level project cost estimates were developed using the IT cost estimating tool: Quantitative Software Management – Software Lifecycle Management. Costs were allocated to the Transformation Office, which supports all the EDDNext workstreams.

Workstream or Cost Category	Description of Vendor Services and Equipment	Costs (In Thousands)
Transformation Office	The Transformation Office costs specific to 2025-26 help ensure the project stays on schedule and on budget: • Project Management Services • Quality Assurance and Quality Control Services • Transformation Office Services • Vendor Procurement Services • Project Executive and Project Advisor Services • IV&V Services • Vendor Procurement Services • Customer Experience Program Services	$13,865
	Transformation Office Tools: • Project Management Tool / Project Lifecycle Tool • Procurement Tool • EA Tool • Customer Experience Program Voice of the Customer Tool and Social Media Tool	$4,444
CDT Services	**CDT Oversight, Approval, and Procurement Services** For reportable projects and procurements	$899
	Subtotal, Transformation Office/CDT Services	**$19,208**
Shared Customer Portal (Project #7100-236)		
SCP	Conduct Maintenance and Operations for previously delivered enhancements and provides licenses.	$8,400
Document Management System (Project #7100-237)		
DMS	Complete Scanning, Data Capture, and Content Management. Start Remittance System Replacement.	$5,922
Non-IT Projects (Per SIMM-19)		
Integrated Contact Center	Complete implementation of new platform. Conduct Maintenance and Operations for delivered features.	$25,000
Fraud Prevention and Data Analytics	Complete the implementation of the Identity Proofing solution. Identify additional fraud detection/analytics tools.	$4,288

Workstream or Cost Category	Description of Vendor Services and Equipment	Costs (In Thousands)
Continuation of Vendor Services and Support of UI/DI Benefit Payments	Maintain crucial services previously funded in 2022 Vendor Services BCP to reduce fraud, manage the workload backlog, and improve the claimant experience for Californians filing for benefit payments. These services remain necessary until replacement solution is fully online.	$31,988
Subtotal, Workstreams		**$94,806**
Other OE&E: Standard complement for office equipment, team software, subscriptions, training, and other state operations		**$3,298**
Personal Services: See table below		**$26,134**
Total		**$124,238**

EDD may require additional time to complete planning and procurement activities for the EDDNext workstreams that are outlined in the table. Activities and procurements for these workstreams may not be encumbered by June 30, 2026. Therefore, EDD is proposing provisional language, similar to what was included in the Budget Acts of 2023 and 2024, to extend the encumbrance and expenditure deadline to June 30, 2027.

C. Departmentwide and Statewide Considerations

Governor Newsom has signed multiple bills to continue investments for improving and modernizing California's UI and SDI systems and improving the experience for customers:

Statutes of 2021:

- AB 12 (Chapter 509) – Personal information: social security numbers: The Employment Development Department.

- AB 56 (Chapter 510) – Benefits: outgoing mail, claim processing, and reporting.

- AB 110 (Chapter 511) – Fraudulent claims for unemployment compensation benefits: inmates. (7100-037-BCP-2022-GB)

- AB 138 (Chapter 78) – Language translation – Increased fraud prevention – Direct deposit

- AB 397 (Chapter 516) – UI: benefits: disqualification: notice. (7100-038-BCP-2022-GB)

Statutes of 2022:

- AB 1805 (Chapter 109) – Unemployment: online information; Federal Unemployment Tax Act tax credit.

- AB 1854 (Chapter 112) – Unemployment insurance: work sharing plans.

- SB 951(Chapter 878) – Unemployment insurance: contribution rates: disability insurance: paid family leave: weekly benefit amount.

- SB 1058 (Chapter 317) – Disability Insurance: requires EDD to collect demographic data of claimants and publish on a public dashboard.

- SB 1138 (Chapter 836) - Unemployment insurance: report: self-employed individuals.

Statutes of 2023:

- AB 1163 (Chapter 832) – State forms: gender identity.

- SB 667 (Chapter 497) – Healing arts: pregnancy and childbirth.

D. Outcomes and Accountability

EDDNext will provide a customer centered experience for claimants and EDD staff built upon modernized services and infrastructure. Features will be delivered incrementally with priority for areas that yield the most customer value:

- Modernized claims management system
- Modernized integrated contact center
- Improved fraud mitigation for claimants via frictionless identity proofing and enhanced fraud detection and analytics
- Modernized document management system, including scanning and optical character recognition system

Reportable IT projects within EDDNext are subject to oversight from the CDT and IV&V. The IV&V vendor will report to the Labor and Workforce Development Agency (LWDA) to ensure product outcomes meet requirement specifications. Project health reporting is communicated on a regular basis to the project's Executive Steering Committee, to the CDT, and to the LWDA at monthly LWDA Portfolio Report sessions. EDD also submits annual Expenditure Plans, Quarterly Expenditure Reports, and Planning Expenditure Reports to the Legislature, the Department of Finance, and other relevant control agencies.

E. Implementation Plan

The Milestone Table below provides the planned start and end dates of key milestones that are planned for 2025-26. Milestones and dates have been adjusted because of key EDDNext decisions to adjust approach. The EDDNext portfolio of projects will deliver products and services progressively through the lifecycle of the project.

Milestone	Start Date	Target End Date
Integrated Claims Management System/Integrated Data Management (Project#7100-222)		
Incremental Implementation of first program (milestones may vary based on outcome of procurement)	Jun-25	Jun-27
Complete incremental Implementation (milestones may vary based on outcome of procurement)	Jul-27	Jun-29
Document Management System (Project #7100-237)		
Implementation of DMS	Jun-24	Jun-27
Shared Customer Portal (Project #7100-236)		
Maintenance and Operations	Jul-24	Jun-25
Non-IT Project Workstreams		
Integrated Contact Center - Implementation of Modernized Platform	Jan-24	Jun-26
Forms Redesign and Research/Analysis - Complete DI/PFL form changes related to SB 1058.	Jul-22	Jun-26
Fraud Prevention and Data Analytics - Complete the implementation of the Identity Proofing solution.	Jan-24	June-26
Fraud Prevention and Data Analytics - Continue incremental rollout of event logging and management.	Jul-23	Jun-29

F. Supplemental Information

N/A

BCP Fiscal Detail Sheet

BCP Title: EDDNext Modernization

BR Name: 7100-007-BCP-2025-GB

Budget Request Summary

Personal Services

Personal Services	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
Salaries and Wages Earnings - Permanent	0	16,888	0	0	0	0
Total Salaries and Wages	**$0**	**$16,888**	**$0**	**$0**	**$0**	**$0**
Total Staff Benefits	0	9,246	0	0	0	0
Total Personal Services	**$0**	**$26,134**	**$0**	**$0**	**$0**	**$0**

Operating Expenses and Equipment

Operating Expenses and Equipment	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
5301 - General Expense	0	259	0	0	0	0
5304 - Communications	0	165	0	0	0	0
5322 - Training	0	368	0	0	0	0
5324 - Facilities Operation	0	780	0	0	0	0
5326 - Utilities	0	47	0	0	0	0
5340 - Consulting and Professional Services - External	0	93,907	0	0	0	0
5340 - Consulting and Professional Services - Interdepartmental	0	899	0	0	0	0
5344 - Consolidated Data Centers	0	259	0	0	0	0
5346 - Information Technology	0	153	0	0	0	0
54XX - Special Items of Expense	0	1,267	0	0	0	0
Total Operating Expenses and Equipment	**$0**	**$98,104**	**$0**	**$0**	**$0**	**$0**

Total Budget Request

Total Budget Request	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
Total Budget Request	**$0**	**$124,238**	**$0**	**$0**	**$0**	**$0**

Fund Summary

Fund Source

Fund Source	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
State Operations - 0001 - General Fund	0	62,117	0	0	0	0
State Operations - 0588 - Unemployment Compensation Disability Fund	0	62,121	0	0	0	0
Total State Operations Expenditures	**$0**	**$124,238**	**$0**	**$0**	**$0**	**$0**
Total All Funds	**$0**	**$124,238**	**$0**	**$0**	**$0**	**$0**

Program Summary

Program Funding

Program Funding	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
5920 - Unemployment Insurance Program	0	62,117	0	0	0	0
5925 - Disability Insurance Program	0	62,121	0	0	0	0
Total All Programs	**$0**	**$124,238**	**$0**	**$0**	**$0**	**$0**

Personal Services Details

Salaries and Wages

Salaries and Wages	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
-	0	16,888	0	0	0	- 0
Total Salaries and Wages	**$0**	**$16,888**	**$0**	**$0**	**$0**	**$0**

Staff Benefits

Staff Benefits	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
5150150 - Dental Insurance	0	95	0	0	0	0
5150200 - Disability Leave - Industrial	0	17	0	0	0	0
5150210 - Disability Leave - Nonindustrial	0	14	0	0	0	0
5150350 - Health Insurance	0	3,018	0	0	0	0
5150500 - OASDI	0	959	0	0	0	0
5150600 - Retirement - General	0	4,442	0	0	0	0
5150700 - Unemployment Insurance	0	100	0	0	0	0
5150750 - Vision Care	0	17	0	0	0	0
5150800 - Workers' Compensation	0	341	0	0	0	0
5150900 - Staff Benefits - Other	0	243	0	0	0	0
Total Staff Benefits	**$0**	**$9,246**	**$0**	**$0**	**$0**	**$0**

Total Personal Services

Total Personal Services	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
Total Personal Services	**$0**	**$26,134**	**$0**	**$0**	**$0**	**$0**